

# North Carolina Housing Finance Agency

*A self-supporting public agency*

Good Housing for  
North Carolinians

Good Business for  
North Carolina

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Joint Legislative Oversight Committee on General Government  
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NORTH CAROLINA  
HOUSING  
FINANCE  
AGENCY

# NCHFA Update

🏠 Study Potential Modifications to the Amenities Policies in the Qualified Allocation Plan (QAP)

🏠 Workforce Housing Loan Program

🏠 NC Homeowner Assistance Fund





# Study Potential Modifications to the Amenities Policies in the Qualified Allocation Plan

# QAP Study

🏠 NCSL 2021-180 Section 29.1 - “NCHFA shall study potential modifications to the amenities policies in the Qualified Allocation Plan (QAP) it uses to establish selection criteria and application requirements for Housing Credits...” and specifically consider:

- Eliminating/deprioritizing/redefining the categories of the amenity scoring model
- The distinction between primary and secondary amenities
- Establishing a threshold score to include amenities and measures of opportunity
- The cap on construction costs for historic rehabilitation projects
- Using best practices from programs in other states



# QAP Study

🏠 NCHFA's Policy and Research team has defined a scope of work that includes:

- A literature review including research studies on QAPs
- Content analysis of other state QAPs
- Examination of previous Housing Credit applications

🏠 The Policy and Research team will synthesize the findings and provide the results of the study to the NC Federal Tax Reform Allocation Committee and the Fiscal Research Division.



# Workforce Housing Loan Program



# Workforce Housing Loan Program

- 🏠 N.C.G.S. 122A-5.15 - Created by the General Assembly in 2015 to replace the state's Housing Credit which expired on December 31, 2014.
- 🏠 Provides subordinate financing to qualifying developments financed with federal Low-Income Housing Tax Credits under Section 42 of the Internal Revenue Code
- 🏠 Structured as a long-term, non-amortizing, revolving loan.

# Workforce Housing Loan Program

- 🏠 Housing Credit developments awarded and underwritten prior to the pandemic have developed significant funding gaps due to rapidly escalating construction costs and prolonged delays
- 🏠 SL 2021-180 appropriated \$170 million of State Fiscal Recovery Funds (FRF) to the WHLP, prioritizing previously awarded Housing Credit developments that have funding gaps resulting from the pandemic
- 🏠 Many states and local governments used FRF for same purpose



# Workforce Housing Loan Program

- 🏠 US Treasury published the Final Rules for FRF on January 6, 2022
- 🏠 FRF Final Rules allow for grants or only the “cost of the loan” to extend beyond 2026, neither of which work well with Housing Credits or the WHLP statute
- 🏠 Efforts were made to correct through administrative and legislative action- over 80 national organizations worked on a fix, but wasn't included in the Omnibus

# Workforce Housing Loan Program

- 🏠 The Lifeline Act, filed March 15, would address this issue
- 🏠 Despite bipartisan federal legislation to make FRF more feasible and efficient with Housing Credits, NCHFA must move forward to help distressed developments and small businesses
- 🏠 Currently working with stakeholders, other HFAs, and National Council of State Housing Agencies to deliver assistance that complies with Treasury Final Rule
- 🏠 Seeking clarification and additional guidance from Treasury



A photograph of a single-story house with light-colored horizontal siding and white trim. The house features a covered front porch with white columns and a white railing. A small garden with mulch and plants is in the foreground. The text "Homeowner Assistance Fund" is overlaid in the center.

# Homeowner Assistance Fund



# NC Homeowner ASSISTANCE FUND

*Help Is Here for NC Homeowners*





## What Is It?

- 🏠 Section 3206 of the American Rescue Plan Act of 2021 established the Homeowner Assistance Fund (HAF)
- 🏠 Created for homeowners to help prevent mortgage delinquencies, defaults, displacements and foreclosures due to COVID-19
- 🏠 Provides up to \$9.961 billion for states, the District of Columbia, U.S. territories, Tribes or Tribal entities, and the Department of Hawaiian Home Lands to provide relief for our country's most vulnerable homeowners
- 🏠 North Carolina was allocated \$273.3 million

# Initial HAF Steps

- 🏠 Eligible entities were required to request funding from Treasury
- 🏠 North Carolina Pandemic Recovery Office requested North Carolina's HAF funds from Treasury
- 🏠 SL 2021-25 appropriated the HAF and designated NCHFA as the administrator
- 🏠 States were required to do a robust needs assessment, solicit public input, and design a plan for submission to Treasury



# NCHAF Milestones

- 🏠 Treasury opened submission portal on August 6, 2021
- 🏠 NCPRO submitted NCHAF plan through the Treasury Portal on August 17, 2021. NC among the first dozen states to submit
- 🏠 Treasury approved NCHAF Plan December 6, 2021, the 5<sup>th</sup> state to be approved
- 🏠 NCHAF “soft-launched” January 17, 2022 to homeowners that had signed up on the waiting list
- 🏠 NCHAF opened to the general public January 31, 2022

# Eligible Homeowners

- 🏠 Need financial assistance with a qualified housing expense
  - Must be related to primary residence
  - Home must be in North Carolina
- 🏠 Experiencing a financial hardship due to pandemic on or after January 21, 2020
  - Job loss/business closure
  - Reduction in hours or pay
  - Difficulty obtaining new employment
  - Death of spouse or co-borrower
  - Increased expenses caused by the pandemic
- 🏠 The program uses the US median income of \$79,900 for income eligibility. (However, a homeowner may be eligible at higher income depending on county of residence and household size)



# Assistance Available

- 🏠 Assistance for mortgage reinstatement to catch up on late payments (first and second mortgages) or other housing-related costs due to a period of forbearance, delinquency or default
- 🏠 Assistance covering other housing-related costs such as homeowner's insurance, flood insurance, mortgage insurance, homeowner's association dues/fees or delinquent property taxes to prevent foreclosure

# Property Eligibility

- 🏠 Single-family
- 🏠 Townhouses
- 🏠 Condominiums
- 🏠 Duplexes
- 🏠 Mobile and manufactured

# An Applicant's Process



**Disclaimers:** Application timelines vary by applicant preparation, readiness for screening, and an applicant's ability to provide required documentation. The information shows the process for an applicant's journey through the NCHAF Program.





# NC Homeowner Assistance Fund Estimated Application Timeline

*Pre-Screen through Payment Distribution*

## Program Step

## Turnaround Time

### STEP 1: Pre-Screen

Initial determination of applicant eligibility

### 1 Hour

Timeline is dependent on applicant, applicant preparation, and readiness for screening and providing required documentation.

### STEP 2: Application

Complete application and submit required documentation.

### Varies by Applicant

After completing the application, applicant will be assigned and contacted by a case manager. The completion process can then range from one hour to multiple days - dependent on the applicant and their submission of required documentation.

**Processing will be delayed if application submissions are incomplete.**

## STEP 3: Eligibility Review

Case Management review of application for eligibility determination and qualification of program assistance.

**1-5 business days**

Timeline begins after you are contacted by your assigned case manager and you have submitted your application with required documentation.

## STEP 4: Quality Control Review

Quality Control ensures all required documents are submitted prior to moving a file forward to payment.

**1-3 business days**

## STEP 5: Funding Approval Process

The Common Data File process includes records transfers and collaboration with servicers and other payees. Timeline may be affected by lender cooperation, response and signed collaboration agreements.

**Approx. 4-6 weeks**

## STEP 6: Assistance Agreement

Applicant will receive an assistance agreement for their review/signature to begin the payment process. Applicant has 5 business days to sign.

**1-5 business days**

## STEP 7: Payment Distribution

Award and payment directly to the servicer(s).

**5-7 business days**



# How Homeowners Can Apply Directly

🏠 Online: [NCHomeownerAssistance.gov](https://NCHomeownerAssistance.gov)

- Click on “See If I Am Eligible and Apply”

🏠 Call Center: 855-MY NCHAF  
(855-696-2423)

- Monday – Friday, 8 a.m. to 8 p.m. EST
- Get help applying
- Special assistance available through call center

🏠 Housing counselors available to assist clients with the application submission





# Thank You

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